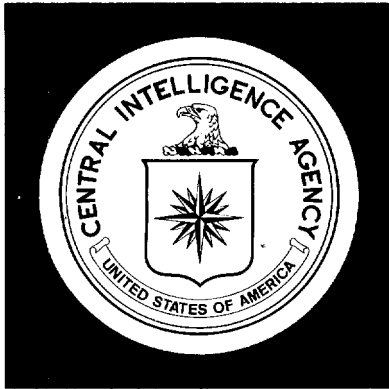


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Approved For Release 2004/07/08 : CIA-RDP79T00975A025500070002-0

Approved For Release 2004/07/08 : CIA-RDP79T00975A025500070002-0

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EC-US: Arab oil cutbacks cause disarray and prompt  
calls for US initiative on energy cooperation.

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Approved For Release 2004/07/08 : CIA-RDP79T00975A025500070002-0

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Approved For Release 2004/07/08 : CIA-RDP79T00975A025500070002-0

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Approved For Release 2004/07/08 : CIA-RDP79T00975A025500070002-0

EC-US: DISARRAY WITHIN THE EUROPEAN COMMUNITIES OVER A COMMON RESPONSE TO ARAB OIL CUTBACKS HAS PROMPTED CALLS FOR A US INITIATIVE ON COOPERATION IN THE ENERGY FIELD.

THE DUTCH, INCREASINGLY WORRIED ABOUT THEIR BEING SINGLED OUT BY THE ARABS FOR AN OIL EMBARGO, ARE PRESSING THEIR EC PARTNERS TO ESTABLISH A COMMUNITY OIL-SHARING SCHEME SHOULD THE EMBARGO CONTINUE. THE HAGUE REPORTEDLY IS PREPARED TO HOLD OTHER AREAS OF EC POLICY-MAKING HOSTAGE IF THEIR EC PARTNERS REFUSE TO SHARE THE BURDEN. THE DUTCH HAVE ALSO ANXIOUSLY INQUIRED IF THE US WOULD BE WILLING TO PARTICIPATE IN OIL-SHARING UNDER OECD AUSPICES. DUTCH OFFICIALS ALSO ASKED IF THE US INTENDS TO DISCUSS OIL EMBARGOES IN NEGOTIATIONS ON A MIDDLE EAST PEACE SETTLEMENT. THE DUTCH FEAR THAT NONE OF THE POSSIBLE PARTICIPANTS IN SUCH NEGOTIATIONS--ESPECIALLY IN THE ABSENCE OF PRIOR CONSULTATION WITH THE HAGUE--WOULD ADEQUATELY SHARE THE PRINCIPAL DUTCH CONCERN WITH LIFTING THE EMBARGO.

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A HIGH LUXEMBOURG FOREIGN MINISTRY OFFICIAL

HAS NOTED THAT, ALTHOUGH SOME COMMUNITY SENTIMENT EXISTS FOR DEFINING AN ENERGY POLICY WITHIN THE OECD, OTHER EC MEMBERS REGARD THE OECD FRAMEWORK AS BEING TOO CUMBERSOME. THE OFFICIAL WOULD LIKE THE US NOW TO MAKE PROPOSALS FOR ENERGY COOPERATION. EC CONCERN OVER THE ENERGY CRISIS, HE SAID, WOULD BE "REFLECTED" IN THE EC'S NEXT DRAFT OF AN ATLANTIC DECLARATION.

THE EC COMMISSIONER RESPONSIBLE FOR ENERGY POLICY, HENRI SIMONET, IS NOT OPTIMISTIC ABOUT EFFORTS TO REACH A COMMON COMMUNITY POLICY. IN A CONVERSATION LAST WEEK WITH SENATOR KENNEDY, SIMONET NOTED THE VARYING INTERESTS OF THE EC MEMBERS THAT WILL MAKE AGREEMENT DIFFICULT. HE BELIEVES, HOWEVER, THAT THE US SHOULD PROPOSE AN "ENERGY CHARTER." SIMONET IMPLIED THAT THIS WOULD OFFSET THE ARGUMENTS OF SOME EUROPEANS WHO FEEL THAT EUROPE STILL HAS "SPECIAL TIES" WITH THE ARAB WORLD AND DOES NOT NEED US COOPERATION ON MIDDLE EAST OIL SUPPLIES.

(continued)

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SIMONET NOTED THAT THE POLICIES OF THE MAJOR EC MEMBERS POSE OBSTACLES TO AN INTERNAL COMMUNITY POLICY. HE SAID THE BRITISH STILL CLING TO THE IDEA THAT THE INTERNATIONAL OIL COMPANIES CAN DEAL WITH THE PRODUCER GOVERNMENTS; THE GERMANS DO NOT WANT ANY COMMUNITY POSITION TO RUN CONTRARY TO US VIEWS; AND THE FRENCH ARE CONCERNED ABOUT MAINTAINING THEIR OWN TIES WITH THE ARABS AND ARE WARY OF ANY EC POLICY ON OIL THAT WOULD BE TANTAMOUNT TO A COMMUNITY FOREIGN POLICY.

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Approved For Release 2004/07/08 : CIA-RDP79T00975A025500070002-0

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